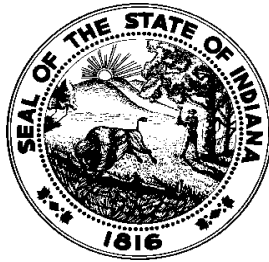


LOCAL GOVERNMENT TAX CONTROL BOARD



RECOMMENDATIONS
TO THE
DEPARTMENT OF LOCAL GOVERNMENT FINANCE
FROM
MAY 19, 2005

Call To Order

James Riehle called the May 19th 2005 Local Government Tax Control Board meeting To Order at 9:00 am. Board members present were James Riehle, Richard Eckerle, Stan Mettler and Dan Eggermann (representing the Department of Local Government Finance).

Discussion

Judy Robertson informed the Board that the only outstanding issue from the April meeting is the Knightstown Public Library, which is still under review after obtaining additional information from the unit.

Recommendation

Rich Eckerle motioned to approve the minutes from the April 28th 2005 Local Government Tax Control Board meeting. Stan Mettler seconded and the motion carried 4-0.

Green Township, Morgan County Fire Apparatus and Building Loan

The unit is requesting approval to obtain a fire loan in the amount of \$200,000 for a term of six (6) years to provide the necessary funding to purchase a new Tanker with 1000 gallon pump capacity. The estimated tax rate is .0257 based on the 2005 assessed value of \$139,108,610 and an annual levy of \$35,713.

Taxpayer Objections:

The date of publication for a public hearing was December 22nd 2004. A Public Hearing was held and a resolution adopted January 4th 2005. The date of publication for the Notice of Determination was January 12th 2005. The Auditor certified No Remonstrance on February 18th 2005.

Attendance

The following people attended the hearing: Darrell Dill (Trustee).

Discussion

He is here for approval to buy a new fire truck tanker that will hold 3,000 gallons. He has a contract with the volunteer fire department in the amount of \$72,000 to provide fire protection service. The fire department has a twelve-member board and he fights with them every year trying to control the costs. Their philosophy is to purchase a new truck every twelve years. They currently have two pumper trucks, but one is old and unreliable and needs to be retired – it is a small truck with a small water capacity. There have been a lot of houses being built in the township lately. The terrain is wooded with rolling hills that is good for building but not good for farming. The fire department was able recently to build a new fire station. The department does do a good job; there is just a difference in philosophy about financing. He has about

\$130,000 in the Fire Fund and around \$95,000 in the Cumulative Fire Fund that he could use to help cover the cost of the truck.

Questions by the Board:

James: Is all the growth residential?

Answer: Yes. The rumor is that Indianapolis Water is going to come down and build a big water lake. The township has a lot to offer and has a ready available water source.

James: Do you have mutual aid agreements with other fire departments?

Answer: Yes, there are mutual aid agreements with all other departments in the County.

James: Has there been any objections from taxpayers?

Answer: A few- about three or four phone calls to him personally. He advised the callers to go the County Auditor and file a petition but no one was willing to do that.

James: Does the Township Board support you?

Answer: Yes, but he has a problem with that. One of the members is also on the Fire Department Board and he feels it is a conflict of interest, but he cannot get anyone to back him up on that. Both Boards are elected positions.

Rich: The fire department is strictly volunteers?

Answer: Yes – they own the fire station and one of the trucks. He will own the second one and will lease it to them for \$1 per year.

Stan: Are you sure of the price of the truck since you have not taken bids yet?

Answer: He is pretty sure after doing some research on the Internet. If the bid does come in for more than \$200,000, then he can use the Cumulative Fire fund to make up the difference.

Stan: Your resolution says that the tax rate is for 2004 pay 2005 – are you aware that it is too late to have a debt payment for 2005?

Answer: He understands. He made an error in the advertising because he becomes confused on which year to advertise sometimes.

Dan: What do you use your Cumulative Fund for?

Answer: To buy equipment – analyzers, turn-out gear, and lately a rescue basket. He is concerned with the new OSHA requirements for Air Packs and feels that they will need to purchase new ones in order to become compliant with the change in specifications. He receives about \$23,000 per year in the Cumulative fund and only spends about half of it. He tries to keep some in reserve for emergency purposes.

Recommendation

Stan Mettler motioned to recommend approval to obtain a fire loan in the amount of \$200,000 with a term not to exceed six (6) years. Dan Eggermann seconded and the motion carried 4-0.

Town of Westfield, Hamilton County General Obligation Bonds

The unit is requesting approval to issue bonds in the amount of \$3,500,000 for a term of thirteen (13) years. Proceeds of the bonds will be used to finance improvements to the Town's park facilities and its information technology system. The estimated tax rate is .0523 based on an assessed value of \$807,398,372 and an annual levy of \$422,157. This is a controlled project. The Common Construction Wage hearing was held May 18th 2005 and passed with a 2-0 vote.

Taxpayer Objections:

The date of publication for a public hearing was March 4th 2005. A public hearing was held and a resolution adopted March 14th 2005. The Notice of Determination was published March 17th 2005. The Auditor certified No Remonstrance on April 27th 2005.

Attendance

The following people attended the hearing: Jim Treat (Financial Advisor with O.W. Krohn and Associates), Jerry Rosenberger (Town Manager), Mike Fisher (Director of Information Technology), and Ted Esping (Bond Counsel with Baker & Daniels).

Discussion

They have two projects to discuss; the first is park improvements and the second is for technology improvements. They sent out a survey in 2002 focusing on improvements taxpayers wanted to see in the parks. They completed the designs in 2004. They have four parks in the Town. Two of them have only the bare minimum playground equipment. They have not been able to raise the capital needed to make the improvements, so this is the best way to get on with the project. This bond issue is to make improvements to two of the parks – one on each side of US 31.

The other project is for technology improvements. Their Town is growing very rapidly. Their current population is around 12,500 and they expect that to increase to 22,000 with the annexation of another nine square miles that becomes effective at the end of the year. They have not had an Information Technology (IT) department and have used consultants, at \$100/hour, to meet their IT needs. They are spending \$60,000-\$80,000 per year just on consultants. Sometimes, the consultants know how to fix a problem, and sometimes they don't. For the last eight or nine years, each department in the Town has had their own independent computer systems. Last year they hired an IT director with one assistant for the purpose of creating one single enterprise system that will work across all networks in the Town. This project will get them ahead of the curve of always being behind in technology. They are currently working in crisis mode because of viruses, downtime, e-mail not working, servers at capacity, etc. The new system will allow them to get ahead and to maintain their own system.

Questions by the Board:

James: Have you had public hearings?

Answer: Yes – the Park Advisory Board held several meetings. They are very anxious to have the parks in a condition that children can and will actually use them.

James: Is the Town Board supportive?

Answer: The vote was 3-2. The two who opposed were not against the project, only on the timing of it. They wanted us to wait until next year.

Stan: How many employees does the Town have?

Answer: We have 120 - that includes police officers, firefighters, and public works employees. We are hiring, on an average, two police officers per year.

Stan: Does each employee have a laptop and a few extra for reserves?

Answer: Yes, plus some of the extra are for mobile units, such as police cars and public works employees to use in their vehicles.

Stan: Why six servers when you have five now?

Answer: The five servers we have are spread throughout the different buildings and each server handles multiple functions – such as printers, e-mail, etc. When one server goes down, all functions are lost. We plan to dedicate each server to a function, so that if one goes down, other functions are still available. Also, if we have an additional server, functions from a server that is down can be transferred to another server and functionality is accessible again.

Stan: What is the expected life of a server?

Answer: About ten years. Our current servers have about a three-year life expectancy. The servers we are planning to purchase are expandable and have removable racks that can be updated without having to replace the whole box.

Stan: Will the WiFi network link to Noblesville – is that for public safety?

Answer: Yes, Noblesville already has one up and running and we can tie into theirs.

Stan: For the disaster recovery – will you have a hot-spot?

Answer: We are looking for cold spots and sharing with other communities.

Stan: The fiber optic link –is it being designed for future build-out?

Answer: Yes, we can get rid of the T1 by using the WiFi and it will allow us to link to other municipalities. We also need to build a redundancy loop.

Stan: What is the expected life of the software?

Answer: It will vary. For example, Microsoft releases upgrades every three years or so. This bond issue will allow us to install the same version of software on everybody's system.

Stan: On the park improvements – are you coordinating with Carmel or Clay Township parks?

Answer: No, we are separate.

Recommendation

Richard Eckerle motioned to recommend approval to issue general obligation bonds in an amount not to exceed \$3,500,000 for a term of thirteen (13) years. Stan Mettler seconded and the motion carried 4-0.

City of Noblesville, Hamilton County Lease

The unit is requesting approval to execute a lease in the amount of \$16,450,000 with maximum annual lease rental payments of \$1,560,000 for a term of twenty-one (21) years (the amortization schedule is for 23 years, but the resolution says not to exceed 21 years) for the purpose of improvements to City Hall including interior renovation and exterior restoration and the construction of a 46,000 sq. ft. two-story addition plus 21,000 sq. ft. basement under addition. The estimated tax rate is .0563 based on an assessed value of \$2,439,259,845 and an annual levy of \$1,374,400. This is a controlled project. The Common Construction Wage hearing was held April 29th 2005 and passed with a 4-1 vote. The AFL-CIO representative opposed the wage scale adopted.

Taxpayer Objections:

The date of publication for a Notice of Public Hearing was January 28th 2005. A public hearing was held and a resolution adopted February 14th 2005. A Notice of Determination was published February 22nd 2005. The Auditor certified No Remonstrance on April 12th 2005.

Attendance

The following people attended the hearing: Lucy Emison (Bond Counsel with Ice Miller), Janet Jaros (Clerk Treasurer), John Ditslear (Mayor), Sam Mishelow (Executive Vice President of Meyer Najear, Architects), Gerard Skibinski (Vice President Ole McGuire & Shook), Michael Howard (City Attorney), Skip Keltner (Pre-Construction Manager), and Jim Treat (Financial Advisor with O.W. Krohn & Associates).

Discussion

They are very blessed to be a growing community, but it does create problems in providing necessary services. In 1990, the population was 12,000; in 2000, it was 28,000 and in 2005 it is over 30,000. The Town Hall is an old Carnegie Library built in 1938. When the library moved into a new building, the old library building was converted into the Town Hall. They have completed a space needs study and have designed a new Town Hall that will meet current needs and the needs for twenty-five years into the future. The new building will provide more efficient services and be easier for the public to access when needing to do business with the Town. (The architect pointed out some features of the building from his renderings). They have presented the project to the public during four separate meetings. The Town Board is very supportive.

They are planning to finance the project via a lease with a holding corporation. The total term of the lease is for twenty years, but will only be making rental payments from a debt fund for

eighteen and a half years. The first three payments (one and half years) will be made from capitalized interest. Just last week, the final schematic designs were unanimously approved. They can always go down in costs but can never go up.

Questions by the Board:

James: Is the public supportive?

Answer: They have had four public meetings and two private presentations to property owner groups. The only concern expressed has been about road conditions and would the schools be receiving more money.

Rich: The Governor wants to keep taxes down, not increase them - is this project in conformity with that goal?

Answer: Taxes will increase, but over time, that will flatten out. Their building permits passed both Carmel and Fishers last year. As the tax base grows, the increase will flatten out.

Stan: Is the \$900,000 for a parking lot include the expense of moving houses, for construction costs or what?

Answer: It is to fix a drainage problem and to fix the contingent parking lot and build in a storm water drain. The \$700,000 was to demolish defunct houses. These two lots will double our parking capacity.

Stan: The \$700,000 for office equipment – what all is included in that? Are you going to purchase all new furnishings?

Answer: Some is for furniture, but it is basically a budget figure. We will be adding twelve new offices to meet future needs. Not all the furniture will be purchased all at once and we will be using what we have now before buying new, and then buying furniture as needed as the Town grows.

Stan: The amortization schedule shows the payments starting in January 07 – are the funds on hands to make the first payments?

Answer: We will be using capitalized interest for the first year and a half and then begin debt service in January 07 – there will be a six-month overlap.

Stan: Is any part of this project under the energy-savings program?

Answer: No.

Just to clarify the debt service rate - a prior bond issue will be paid off in 2010; this lease payment will be phased in so that the impact will not be so bad. The plan is to flatten the rate.

Recommendation

Stan Mettler motioned to recommend approval to execute a lease with maximum annual lease rental payments in the amount of \$1,560,000 for a term not to exceed twenty-one (21) years. Richard Eckerle seconded and the motion carried 4-0.

City of Linton, Greene County Lease

The unit is requesting approval to execute a lease in the amount of \$1,500,000 with maximum annual lease rental payments in the amount of \$137,000 for a term of twenty-two (22) years for the purpose of providing funds to construct a new 7,900 sq. ft. fire station. The estimated tax rate is .1040 based on an assessed value of \$118,587,532 and an annual levy of \$123,300. This is an uncontrolled project. The Common Construction Wage is applicable and the hearing was held May 17th 2005; it passed with a 5-0 vote.

Taxpayer Objections:

The date of publication for a public hearing was April 18th 2005. A Resolution was adopted April 11th 2005. The date of publication for the Notice of Hearing on Proposed lease was April 18th and a Hearing held April 28th. This is an uncontrolled project so a Notice of Determination was not published. The petition/remonstrance process is not applicable at this time.

Attendance

The following people attended the hearing: Tom Jones (Mayor), Jason Semler (Financial Advisor with H.J. Umbaugh), Lisa A. Lee (Bond Counsel with Ice Miller), Jeff Mosier (Engineer & Architect), and Craig Burgess (Engineer & Architect).

Discussion

They are here to request approval to execute a lease for the purpose of building a new fire station to replace the current building. The main problem discussed in the last election was the need for a new public safety building. The current building needs to be condemned because histoplasmosis (caused from excessive bird droppings) is creating health problems. The building was erected in 1912 and is just too small to meet their current needs. All the equipment has to be double-stacked inside and is difficult to get out. Their insurance rating is 6.5 and they hope to improve that to 4.5 with a new building, which will bring their insurance premiums down. They have presented the project during three council meetings and there have been no objections. The Council is in full support of their plans.

Questions by the Board:

James: Are you a full-time department?

Answer: Yes, with nine full-time firefighters and a rescue team.

James: How many stations do you operate?

Answer: Just the one.

Rich: Does the \$198 per sq. ft. include other costs than construction?

Answer: Yes, the construction costs alone are \$135 per sq. ft. The other amount is for contingencies and preparation costs.

James: Do you need to acquire land?

Answer: We have already purchased the land and it is paid for. The blighted houses on the land have been demolished and the soil has been analyzed and is now clean. We have been saving for this project for a long time now.

Stan: How many pieces of equipment do you own?

Answer: Nine, but two of them need to be taken out of service because they are old and unreliable. The others will be double-stacked in four bays.

Stan: Is there room to expand the building if necessary?

Answer: Yes, on the west side. We have also purchased the lot behind this one to be used for training. The blighted houses on that lot have also been demolished. We have not had any negative comments.

Stan: Are the sleeping quarters adequate for expansion?

Answer: Yes, we have room for twelve with a section that can be closed off for female firefighters.

The closest full-time fire department is more than twenty miles away. We provide help and have agreements for mutual aid with all other department in the County.

Stan: Do you receive compensation for mutual aid?

Answer: We are compensated to some degree, but usually, it is just a trade.

James: Do you have ambulance service?

Answer: Greene County operates the Ambulance Service and they receive all the revenue from runs. We get nothing for providing first response.

Rich: Are you the county seat?

Answer: No.

Stan: The hearing information sheet has a fire truck included in the project – are you purchasing a new one?

Answer: We had originally planned to buy a new truck but, realistically, our taxpayers cannot afford the additional expense, so it has been removed from this project. We have applied for a Homeland Security grant in order to purchase the new truck.

Recommendation

Richard Eckerle motioned to recommend approval to execute a lease with maximum annual lease rental payments in the amount of \$137,000 for a term not to exceed twenty-two (22) years. Stan Mettler seconded and the motion carried 4-0.

City of LaPorte, LaPorte County
Lease

The unit is requesting approval to execute a lease in the amount of \$1,685,000 with maximum annual lease rental payments of \$175,000 for a term of twenty-two (22) years. Proceeds of the lease will be used to construct a new fire station. The anticipated tax rate is .0198 based on an assessed value of \$797,271,433 and an annual levy of \$157,500. The Common Construction Wage hearing was held April 25th 2005 and passed with a 5-0 vote.

Taxpayer Objections:

The date of publication for a public hearing was April 7th 2005. A public hearing was held April 20th 2005. Another public hearing was held and a Resolution adopted on April 27th 2005. The petition/remonstrance procedure is not applicable at this time. No Notice of Determination was published since this is an uncontrolled project.

Attendance

The following people attended the hearing: Lucy Emison (Bond Counsel with Ice Miller), Leigh Morris (Mayor), and Richard Treptow (Financial Advisor with H.J. Umbaugh & Associates).

Discussion

(Refer to handout). Their fire station was built in 1926 and they need to build a new one. The Mayor handed out a file that detailed the following information:

- Problems with the current station
- Contributing factors to need for replacement
- Design of proposed new station
- Public input initiative

They have kept a lid on the costs and feel that they are right on target.

Questions by the Board:

James: How many stations do you operate?

Answer: Three and they are spaced so that the three-minute response time overlaps right in the center.

James: Will you need to acquire land?

Answer: Yes, and we have already purchased it.

James: What will happen to the current building?

Answer: We would like to preserve it. We are hoping that somebody will buy it and move it to another location a short distance away where there is an almost identical building with the same design.

Stan: How many pieces of equipment will be housed here?

Answer: This station will house just one truck in the beginning. There is one more truck at a second station with the bulk of the equipment located in the Headquarters building.

Stan: Do you provide ambulance service?

Answer: No, but we do have paramedics and first responders.

Stan: Your amortization schedule starts in 2007 – are you planning on moving into the new building in 2006 and making the first payments from capitalized interest?

Answer: Yes, that is the plan.

Stan: So you will not need a tax rate until 2007?

Answer: Correct.

Stan: Your hearing information sheet shows progressive interest rates from 2.6% up to 5% - do you think the market is stable enough to be able to sale at that rate?

Answer: Yes, we think so. We already have several banks interested in our project.

Stan: Is the holding corporation already been established and named?

Answer: Yes, it is one that we have used before for previous projects.

Stan: Have you taken bids yet?

Answer: No, we were waiting for approval first.

James: Is the public supporting your plans?

Answer: Yes, for the most part. We have had a few comments, but only on the location and whether we acquired the land in the right way. We had an original site picked out, but it did not meet our requirements and we had to go to a second site. A few people wanted us to build on the first site.

Recommendation

Stan Mettler motioned to recommend approval to execute a lease with maximum annual lease rental payments in the amount of \$175,000 for a term not to exceed twenty-two (22) years. Dan Eggermann seconded and the motion carried 4-0.
